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## **Twenty Years Too Long a Period Between Examinations of Critical Tax and Budget Issues**

*By: Dr. Henry Thomas, Chairman, Department of Political Science and Public Administration University of North Florida*

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One aspect of Proposal 13 of the Constitution Revision Commission is the change in Tax and Budget Reform Commission voting procedures and meetings from every 10 to every 20 years. The current Constitution requires the Commission to make the following determinations about the tax system: 1) the appropriateness of the tax structure; 2) the ability of state and local government to tax and adequately fund governmental operations and capital needs for the next ten year period; 3) the extent of the need for revenue for the next ten year period; 4) the ways to effectively gather additional revenue from existing tax sources; 5) the constitutional restrictions on taxes; and 6) the methods favored by citizens to fund the needs of the state, including alternate methods of raising revenue. With the change advocated in Proposal 13, these determinations must be made over a twenty rather than a ten year period. In an economy as rapidly changing as our own, such determinations should occur more not less frequently. Determinations made in 1978 would ill serve us today. In 1978 there was no internet, no electronic commerce, no mergers, no global marketplace -- nor would most of them have been predicted. Twenty years is too long a period between examinations of critical tax and budget issues.

In 1988, the legislature and voters amended the Constitution to establish a separate Taxation and Budget Reform Commission. The idea of creating the commission was born in a year of economic prosperity, 1987. The motivation was that the robust state economy was apparently growing faster than government's ability to meet the demands for infrastructure and services. In 1987, the State Comprehensive Plan Committee report estimated that in order to implement the state comprehensive plan by 1997, the state would need an additional \$35 billion and local government would need \$17.9 billion. Efforts to provide funding for infrastructure through the short-lived services tax left uncertainty about funding future growth even though the Legislature substituted an additional one penny of sales tax as a replacement for the services tax.

The Commission was to:

1. Be established in 1990 and each tenth year thereafter.
2. Be composed of 25 voting non-legislative members and 4 non-voting legislative members. (Composition specified in Constitution.)
3. Elect a non-legislative member at its first meeting to serve as Chairman.
4. Adopt rules of procedure at its first meeting.

5. Hold public hearings as its deems necessary.
6. Issue a report of the results of the review it carries out.
7. Propose to the Legislature recommended statutory changes related to the taxation or budgetary laws of the state.
8. File with the Secretary of State its proposal, if any, for a revision to the Constitution dealing with taxation or the state budgetary process, not later than 180 days prior to the general election in the second year following the year in which the Commission is established. (May 7, 1992)
9. Vote on proposed constitutional revisions by an affirmative vote of two-thirds of the full Commission (or 17 members) and with the concurrence of a majority of the members appointed by the Governor (6 members), the President of the Senate (4 members) and the Speaker of the House of Representatives (4 members).(Members are exempt from the prohibition on dual office holding established in Section 5(a), Article 11 of the Constitution.)

It is important to note that the past work of the Commission has been conducted within the context of revenue neutrality. In other words, the primary goal was to make the tax structure more stable and equitable. Since our tax structure behaves very differently in periods of prosperity and recession, questions about stability, equity, and public support ought not be relegated to twenty year cycles. Proposal 13 of the Constitution Revision Commission ought not be supported by voters.

#### *About the Author*

Henry Thomas is Associate Professor and Department Chairman, University of North Florida Department of Political Science and Public Administration. Dr. Thomas received a Bachelor's of Philosophy from UCLA, Master's of Systems Analysis in Applied Economics from the William E. Simon Graduate School of Business Administration, University of Rochester, and a Master's and Doctorate in Public Administration (Public Finance) from the University of Southern California. Thomas chaired the 1997-98 Jacksonville Community Council (JCCI) study about Jacksonville's use of economic incentives for development and currently chairs the JCCI incentive study implementation effort. His interests include Application of Total Quality Mangement in government, community/neighborhood and grass roots levels.

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